

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317)232-9855

FISCAL IMPACT STATEMENT

LS 8040

BILL NUMBER: HB 1670

DATE PREPARED: Mar 2, 1999

BILL AMENDED: Mar 1, 1999

SUBJECT: Lunch and work break requirements.

FISCAL ANALYST: Beverly Holloway

PHONE NUMBER: 232-9851

FUNDS AFFECTED: ☒ **GENERAL**
☒ **DEDICATED**
FEDERAL

IMPACT: State & Local

Summary of Legislation: (Amended) This bill requires an employer to give an employee a lunch period of no less than 30 minutes if the employee is scheduled to be on duty for six hours or more. If an employee works more than twelve consecutive hours, the employee must be given the opportunity for another lunch break.

This bill also requires an employer to provide an employee who has been on duty for two or more continuous hours with a paid rest break of ten minutes. It provides that neither rest or lunch break requirements apply when the employer has only one employee on duty during a period of four or more consecutive hours. The bill specifies that the terms of a negotiated collective bargaining agreement, settlement agreement, or bona fide agreement between an employee and employer are not affected.

This bill provides that a violation is a Class C infraction and that each time a person is in violation, the person commits a separate infraction.

Effective Date: July 1, 1999.

Explanation of State Expenditures: (Revised) This bill requires an employer to provide an employee who has been on duty for two or more continuous hours with a paid rest break of ten minutes. This provision pertains to all government employees who are not a part of a negotiated collective bargaining agreement or settlement agreement. According to the State Department of Personnel, federal law states that work breaks of 15 minutes or less are considered hours of work. The State Department of Personnel does not have an established policy for employee work breaks. The work hours, including breaks, for a state employee is set by each employing state agency.

Explanation of State Revenues: A person who violates the provisions of this bill commits a Class C infraction. If additional court cases occur, revenue to the state General Fund may increase if infraction

judgments and court fees are collected. The maximum judgment for a Class C infraction is \$500 which is deposited in the state General Fund. If court actions are filed and a judgment is entered, a court fee of \$70 would be assessed. 70% of the court fee would be deposited in state general fund if the case filed in a court of record or 55% if the case is filed in a city or town court.

Explanation of Local Expenditures: (Revised) The work break provisions of this bill pertains to all local government employees including police officers, firefighters, and other employees working on alternative schedules. This bill does not impact those employees covered by a negotiated collective bargaining agreement or settlement agreement. The impact of this legislation is indeterminable and dependent on the number of local units of governments who currently do not have a work break policy. If a local unit of government does not have a work break policy, the impact would be approximately the cost of 2.5 hours per week per eligible employee for breaks minus any gains in productivity realized due to the work breaks.

Explanation of Local Revenues: This bill provides that a violation is a Class C infraction and that each time a person violates this chapter the person commits a separate infraction. If additional court actions are filed and a judgment is entered, local governments would receive revenue from the following sources: (1) The county general fund would receive 27% of the \$70 court fee that is assessed in a court of record. Cities and towns maintaining a law enforcement agency that prosecutes at least 50% of its ordinance violations in a court of record may receive 3% of court fees. If the case is filed in a city or town court, 20% of the court fee would be deposited in the county general fund and 25% would be deposited in the city or town general fund.(2) A \$3 fee would be assessed, and if collected would be deposited into the county law enforcement continuing education fund. (3) A \$2 jury fee is assessed, and if collected, would be deposited into the county user fee fund to supplement the compensation of jury members.

State Agencies Affected: All.

Local Agencies Affected: All; Trial courts; Local law enforcement agencies.

Information Sources: Keith Beesley, Attorney, State Department of Personnel, (317) 232-3062.